

Who's supporting the CHIP initiative ... and why?

By MIKE DENNISON - IR State Bureau - 10/29/08

A broad coalition of interests is supporting the ballot measure that would expand health coverage for Montana kids, including businesses, health insurers, hospitals, physicians and consumer groups.

Initiative 155, which will be decided Tuesday by Montana voters, expands two government-funded health insurance programs to cover an additional 30,000 children in Montana. If approved, the measure would increase public health care spending in Montana by as much as \$90 million a year. The money would go primarily to physicians, other health care providers and hospitals.

Through Oct. 9, about \$270,000 has been raised to help put I-155 on the ballot and campaign for the measure. Its major supporters include the political arm of the Children's Defense Fund (\$25,000); the Montana Hospital Association, known now as MHA (\$16,750); Missoula health insurance executive Dirk Visser (\$15,000); Blue Cross Blue Shield of Montana (\$10,000); Wells Fargo Bank of Billings (\$10,000); and the Service Employees International Union (\$10,000).

The measure has no organized opposition and is expected to pass.

Linda McGillen, spokeswoman for Blue Cross Blue Shield, said covering more children who are currently uninsured is not only the right thing to do, but also may reduce costs for people who already have insurance. Increasing the number of people with health insurance means fewer people will get uncompensated care, the cost for which is often shifted to those who have insurance, she said.

"We really do want to insure as many kids as we possibly can," she said. "We believe that I-155 is a vehicle that truly can get that accomplished."

Blue Cross is the state's dominant health insurer, controlling about 50 percent of the group insurance market.

Tanya Ask, vice president of external and provider relations for New West Health Services, said making sure children have health insurance also means improving overall health for the state, leading to healthier adults and reduced health care costs in the future.

New West, the state's second-largest health insurer, has contributed \$2,500 to the I-155 campaign.

Blue Cross also holds the state contract to process CHIP claims, worth about \$1.5 million this year. For every 10,000 children added to CHIP, Blue Cross is paid another \$936,000, under terms of the current contract.

However, McGillen said the company is providing its services at a discounted rate, and has been well under bids offered by competitors.

Much of I-155's campaign money paid for gathering signatures to place it on the ballot. Since it has no organized opposition, the actual campaign has been fairly low-key.

State Auditor John Morrison, the state's insurance commissioner, who led the effort to write the measure and get it on the ballot, has been a lead fund raiser for the campaign, asking health care providers, insurers and others to contribute.

Morrison, a Democrat, is leaving office this year, unable to run for re-election because of term limits.

"I saw this as a chance to do something that needed to be done and was maybe more significant than anything I could have accomplished in a political office in the next four years," he said.

Morrison, an attorney who ran unsuccessfully for U.S. Senate in 2006, also said he has no immediate political plans for the future: "My family is ready to return to private life for a while."